(c) Cases of illegal transactions in foreign exchange involving Non-Resident External (NRE) Accounts in various banks have been detected by the Enforcement Directorate. Many of these cases pertain to past violations getting detected now.

(d) Details of FERA violations in Bangalore, Madras, Calcutta Delhi aad Bombay for the years 1992-1995 are given below:—

City	1992	1993	1994	1995 (upto 16.4.95)
Bangalore	54	61	52	75
Madras	1106	977	695	68
Calcutta	106	57	82	5
Delhi	40	40	125	Nil
Bombay	219	234	257	10

(e) Some of the remedial measures taken to curb the menace of illegal fane-actions in foreign exchange ' are as under:—

(i) Efforts are made by using the powers under FERA to detect havala transactions and punish the offenders;

(ii) Ruppe has been made convertible on the current account;

(iii) Reteurning Tndian and (Non-Resident Indians) NRIs have been allowed to import 5 kg. of Gold with a modest import duty provided the gold as well as the import duty is funded by foreign exchange earned abroad;

(iv) All exporters as well as other foreign exchange earners have been allowed to convert their foreign exchange earnings at the market rate; and

(v) Rates of Customs duty have been reduced.

Increase in excise revenue

*311. SHRI CHIMANBHAI MEHTA:
SHRI G. G. SWELL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that notwithstanding reduction in excise duties during the last two years, expise revenue has significantly increased;.

(b) if so, which are the industries on which excise was reduced, to what extent reduction was effected and what is the increased generation of revenue;

(c) the details of major industries on which excise burden was reduced and excise revenue increased and also further reduction effected in the current Budget and expected higher yields in excise revenue;

(d) for what factors the reduction in excise duties generates higher revenue;

(e) which are the major industries carrying the higher burden of excise duties as assessed by the Department;

(f) whether the benefits of reduction in excise duties are passed to the consumers;

(g) if so, the details in this (regard;

(h) whether the duty reduction has increased production; and

(i) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The reliefs in excise duties announced

as part of Budget 1994-95 proposals were estimated to result in revenue loss of Rs. 1999.85 crore in a year. However, despite this, the collections from excise duties (exclusive of the cesses not administered by Department of Revenue) during 1994-95 showed an increase of 17.85 per cent (provisional) over the actual collections made in 1993-94.

(b) Details are given in the Memorandum explaining Provision in the Finance Bill. 1994 and in the Memorandum explaining Provision in the Finance Bill, 1995. However, some of the major items on which duty was reduced in 1994-95 budget and in the 1995-96 budget and the extent of reduction in each case are indicated in Statement-I. *(See* below) The additional revenue realised in respect of each of the items is not readily available. However, on the whole, the revenue from excise duties 1994-95 was 17.85 per cent (Prov.) higher than the revenue realised in 1993-94.

(C) The major industries on which excise duty was reduced in the current budget and are expected*" to yield higher revenue are:

1. Cosmetics
2. Polymer based paints
3. Plastic resins
4. Polyester filament yarns
5. Glazed ceramic tiles
6. Aerated waters
7. Air-conditioners
8. Motor vehicle parts

(d) The excise revenue has shown increase inspite of the duty reductions because of the gains from better compliance, easier administeration and increase in industrial growth.

(e) It is felt that 30% or higher duty could perhaps be taken as "higher* duty of excise. The list of the major commodities having basic excise duty rates of 30% or above is given in "Statement-II *(See* below).

(f) and (g) The price of commodities is determined by market forces and depends on multiplicity of factors including cost of production, demand and supply position and level of taxation. Excise duty is levied at production point and there is a long chain of intermediaries between production point and the consumer who add their cost and profits to the ex-factory price.

(h) and (i) Increase in production depends on several factors, the level of taxation being one of them. The industria] growth which was only 0.6% in 1991-92 has shown a growth of 8.3% in April '94—December '94. The manufacturing sector has grown at 8.5% and the capital goods sector has grown at 22.2% during the same period.

Statement-I

Major commodities on which basic excise duty reduced in Budget 1994-95

Commodity	From	To
Aluminium	25%	20%
Bulk Polymers	35%	30%
Cellular rubber	70%	30%
Computer parts	25%	20%
Cosmetics	70%	50%
Detergent powder	35%	30%
Electric wire and cables	35%	30%

Commodity	From	to
Glazed ceramic tiles	55%	40%
Optical fibre cables	35%	20%
Parts of motor vehicles	25%	20%
Polymer based paints	35%	30%
Primary batteries	40%	30%
S.O. Dyes	25%	20%
White cement	40%	30%

Major commodities on which basic excise duty reduced in Budget 19p5-96

	From	to
Aerated waters	50%	40%
Air conditioner	60%	40%
Aluminium	20%	15%
Ball bearings	20%	15%
Ceramic wares	30%	20%
Cosmetics	50%	40%
Glass Bottles	30%	20%
Glazek ceramics	30%	20%
Glazed Tiles	40%	30%
HDPE monofilament yarn	30%	20%
Parts of computers	20%	15%
Parts of motor vehicles and two wheelers	20%	15%
PFY (industrial grade)	30%	20%
Plastic basek paints	30%	20%
Plastic Resins	30%	25%
Polyester Filament Yarn	60%	50%
Polypropylene monofilament yarn	30%	20%
Specified parts of capital goods	20%/25%	15%
Wires and Cables.	30%	25%

Statement-II

Major Commodities having basic excise duty rates of 30% or above

Duty Rates	Name of the Commodities
30%	
	Carpets
	Detergents
	Nylon filament yarn
	Split air conditioners for use in buses
	Taxis
	Glazed ceramic tiles
35%	
	Tyres (Aerotyres and power tiller tyres)
	Off the road tyres
40%	
	Chewing Tobacco
	Branded Unmanufactured Tobacco
	Motor cars
	Travel sets
	Aerated Waters
	Preparations of lemonades for use in manufacture of aerated waters
	Cosmetics
	Air Conditioners and their parts
50%	
	Pan masala
	Polyster filament yarn

Note :—It docs not include commodities which are subjected to excise duties and on which the ad valorem incidence of duty is 30 % or more.

Cost of Power from Projects with Guaranteed Return on Investment

*312. SHRI KANAKSINH MOHANSINH MANGROLA: Will the Minister of POWER be pleased to state:

(a) the estimated cost per unit of power supplied "to the concerned State Electricity Boards in the seven "'fast track" projects where Union Government have guaranteed the ROI or where Union Government are considering extending guarantee for a certain Return on Investment (ROI)), the project-wise details thereof:

(b) what is the Rupee component and the foreign exchange component therein, direct or indirect;